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CHINA NUCLEAR ENERGY TECHNOLOGY CORPORATION LIMITED

中國核能科技集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 611)

**VERY SUBSTANTIAL ACQUISITIONS
IN RELATION TO
THE EQUIPMENT PURCHASE AGREEMENTS;
THE FINANCE LEASE AGREEMENTS; AND
THE MAIN CONSTRUCTION AGREEMENT**

THE EQUIPMENT PURCHASE AGREEMENTS

The Board is pleased to announce that on 6 November 2019 (after trading hours of the Stock Exchange), each of the Purchasers (all being indirect wholly-owned subsidiaries of the Company) has entered into the Equipment Purchase Agreements with the relevant Vendors, pursuant to which each of the Purchasers has conditionally agreed to purchase and each of the Vendors has conditionally agreed to sell the Equipment. The aggregate consideration under the Equipment Purchase Agreements is RMB649,452,850 (equivalent to approximately HK\$721,333,759). The Equipment include wind power generation equipment, wind power tower equipment, ancillary facilities and other products and materials, which will be used for the Wind Power Project.

THE CMB FINANCE LEASE AGREEMENTS

On 6 November 2019 (after trading hours of the Stock Exchange), Suining Wind Power, as lessee, entered into the First CMB Finance Lease Agreement with CMB Financial Leasing, as lessor, pursuant to which CMB Financial Leasing has conditionally agreed to, among other things, (i) enter into a tripartite assignment agreement to take up the rights and obligations of Suining Wind Power as purchaser under the 35MW Equipment Purchase Agreement and take ownership of the 35MW Equipment upon delivery of the 35MW Equipment to Suining Wind Power; (ii) pay a net amount of RMB133,912,440 (equivalent to approximately HK\$148,733,759), representing 90% of the total consideration under the 35MW Equipment Purchase Agreement, to the Second Vendor in stages in accordance with the terms of the 35MW Equipment Purchase Agreement; and (iii) lease back the 35MW Equipment to Suining Wind Power after taking up the ownership of the 35MW Equipment. The ownership of the 35MW Equipment under the First CMB Finance Lease Agreement will be first vested in CMB Financial Leasing. At the end of the lease period and subject to (i) fulfilment of all its payment obligations under the First CMB Finance Lease Agreement by Suining Wind Power; and (ii) payment by Suining Wind Power of a nominal consideration of RMB1 (equivalent to approximately HK\$1.1107), the ownership of the 35MW Equipment will be vested in Suining Wind Power.

On 6 November 2019 (after trading hours of the Stock Exchange), Suining Wind Power, as lessee, entered into the Second CMB Finance Lease Agreement with CMB Financial Leasing, as lessor, pursuant to which CMB Financial Leasing has conditionally agreed to, among other things, (i) enter into a tripartite assignment agreement to take up the rights and obligations of Suining Wind Power as purchaser under the Supplemental 95MW Equipment Purchase Agreement and take ownership of the 95MW Equipment upon delivery of the 95MW Equipment to Suining Wind Power; (ii) pay a net amount of RMB395,644,500 (equivalent to approximately HK\$439,434,109), representing 90% of the total consideration under the Supplemental 95MW Equipment Purchase Agreement, to CNI Nanjing in stages in accordance with the terms of the Supplemental 95MW Equipment Purchase Agreement; and (iii) lease back the 95MW Equipment to Suining Wind Power after taking up the ownership of the 95MW Equipment. The ownership of the 95MW Equipment under the Second CMB Finance Lease Agreement will be first vested in CMB Financial Leasing. At the end of the lease period and subject to (i) fulfilment of all its payment obligations under the Second CMB Finance Lease Agreement by Suining Wind Power; and (ii) payment by Suining Wind Power of a nominal consideration of RMB1 (equivalent to approximately HK\$1.1107), the ownership of the 95MW Equipment will be vested in Suining Wind Power.

THE MAIN CONSTRUCTION AGREEMENT

On 6 November 2019 (after trading hours of the Stock Exchange), Suining Wind Power, as principal, entered into the Main Construction Agreement with Xiexin Energy, as the main contractor, pursuant to which Suining Wind Power has conditionally agreed to engage Xiexin Energy, and Xiexin Energy has conditionally agreed to undertake, among other things, the construction of (i) a 15MW decentralised wind farm in Liangji Town in Jiangsu Province, the PRC; (ii) a 35MW wind farm in Liangji Town in Jiangsu Province, the PRC; and (iii) a 95MW wind farm in Weiji Town in Jiangsu Province, the PRC. The total consideration under the Main Construction Agreement is RMB386,899,370 (equivalent to approximately HK\$429,721,075).

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in relation to the Equipment Purchase Agreements (when aggregated), the CMB Finance Lease Agreements (when aggregated) and the Main Construction Agreement (when aggregated with the Equipment Purchase Agreements and CMB Finance Lease Agreements) exceed 100%, the Equipment Purchase Agreements, the CMB Finance Lease Agreements and the Main Construction Agreement (when aggregated with the Equipment Purchase Agreements and CMB Finance Lease Agreements) and the transactions contemplated thereunder constitute very substantial acquisitions on the part of the Company under Chapter 14 of the Listing Rules and are subject to reporting, announcement and shareholders' approval requirements thereunder.

The SGM will be convened and held for the Shareholders to consider, and if thought fit, to pass the resolution(s) to approve the Equipment Purchase Agreements, the CMB Finance Lease Agreements, the Main Construction Agreement and the transactions contemplated thereunder. A circular containing, among other things, (i) further details of the Equipment Purchase Agreements, CMB Finance Lease Agreements, the Main Construction Agreement and the transactions contemplated thereunder; (ii) a notice of SGM; and (iii) other information required under the Listing Rules, is expected to be despatched by the Company to the Shareholders on or before 27 November 2019.

THE EQUIPMENT PURCHASE AGREEMENTS

The Board is pleased to announce that on 6 November 2019 (after trading hours of the Stock Exchange), each of the Purchasers (all being indirect wholly-owned subsidiaries of the Company) has entered into the relevant Equipment Purchase Agreements with the relevant Vendors in relation to the sale and purchase of the Equipment. The aggregate consideration under the Equipment Purchase Agreements is RMB649,452,850 (equivalent to approximately HK\$721,333,759).

The principal terms of the 15MW Equipment Purchase Agreement are set out as follows:–

Date

6 November 2019 (after trading hours of the Stock Exchange)

Parties

- (1) CNI Nanjing; and
- (2) the First Vendor.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the First Vendor and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Subject matter

Subject to the terms and conditions of the 15MW Equipment Purchase Agreement, CNI Nanjing has agreed to purchase and the First Vendor has agreed to sell the 15MW Equipment. The 15MW Equipment will be delivered in a number of batches in accordance with the delivery schedule set out in the 15MW Equipment Purchase Agreement. However, CNI Nanjing has the right to adjust the quantity and delivery time of the 15MW Equipment based on the actual circumstance of the Wind Power Project.

Consideration

The consideration for the 15MW Equipment is RMB61,056,250 (equivalent to approximately HK\$67,813,906), which shall be payable by CNI Nanjing to the First Vendor in the manner set out below:–

- (1) a refundable deposit representing 30% of the total consideration of the 15MW Equipment Purchase Agreement, will be paid after entering into of the 15MW Equipment Purchase Agreement and within 20 days from CNI Nanjing having received, among other things, a letter of guarantee issued by a designated bank in the PRC in the amount of 10% of the total consideration of the 15MW Equipment Purchase Agreement to guarantee the performance of the obligations of the First Vendor under the 15MW Equipment Purchase Agreement in favour of CNI Nanjing for such period as specified thereunder;
- (2) within 28 days after the delivery of each batch of the 15MW Equipment and subject to the First Vendor having produced to CNI Nanjing the relevant documents for each batch of the 15MW Equipment including, among other things, a certificate of quality, value added tax invoice and insurance invoice, CNI Nanjing shall pay to the First Vendor 40% of the total contract sum of the corresponding batch of the 15MW Equipment;
- (3) within 28 days from the completion of the Preliminary Acceptance Check of each batch of the 15MW Assembled Units and subject to the First Vendor, upon the delivery of the first batch of the 15MW Assembled Units, having produced to CNI Nanjing, among other things, a letter of guarantee issued by a designated bank in the PRC in the amount of 5% of the total consideration of the 15MW Equipment Purchase Agreement to guarantee the electricity generation output by the 15MW Assembled Units as set out in the 15MW Equipment Purchase Agreement in favour of CNI Nanjing for such period as specified thereunder, CNI Nanjing shall pay to the First Vendor 20% of the total contract sum of the corresponding batch of the 15MW Assembled Units; and
- (4) within 28 days from the completion of the Final Acceptance Check of each batch of the 15MW Assembled Units, CNI Nanjing shall pay to the First Vendor 10% of the total contract sum of the relevant batch of the 15MW Assembled Units.

The principal terms of the 35MW Equipment Purchase Agreement are set out as follows:–

Date

6 November 2019 (after trading hours of the Stock Exchange)

Parties

- (1) Suining Wind Power; and
- (2) the Second Vendor.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Second Vendor and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Subject matter

Subject to the terms and conditions of the 35MW Equipment Purchase Agreement, Suining Wind Power has agreed to purchase and the Second Vendor has agreed to sell the 35MW Equipment. The 35MW Equipment will be delivered in a number of batches in accordance with the delivery schedule set out in the 35MW Equipment Purchase Agreement. However, Suining Wind Power has the right to adjust the quantity and delivery time of the 35MW Equipment based on the actual circumstance of the Wind Power Project.

Consideration

The consideration for the 35MW Equipment is RMB148,791,600 (equivalent to approximately HK\$165,259,732), which shall be payable by Suining Wind Power to the Second Vendor in the manner set out below:–

- (1) a refundable deposit representing 30% of the total consideration of the 35MW Equipment Purchase Agreement, will be paid after the entering into of the 35MW Equipment Purchase Agreement and within 20 days from Suining Wind Power having received, among other things, a letter of guarantee issued by a designated bank in the PRC in the amount of 10% of the total consideration of the 35MW Equipment Purchase Agreement to guarantee the performance of the obligations of the Second Vendor under the 35MW Equipment Purchase Agreement in favour of Suining Wind Power for such period as specified thereunder;

- (2) within 28 days after the delivery of each batch of the 35MW Equipment and subject to the Second Vendor having produced to Suining Wind Power the relevant documents for each batch of the 35MW Equipment including, among other things, a certificate of quality, value added tax invoice and insurance invoice, Suining Wind Power shall pay to the Second Vendor 40% of the total contract sum of the corresponding batch of the 35MW Equipment;
- (3) within 28 days from the completion of the Preliminary Acceptance Check of each batch of the 35MW Assembled Units and subject to the Second Vendor, upon the delivery of the first batch of the 35MW Assembled Units, having produced to Suining Wind Power, among other things, a letter of guarantee issued by a designated bank in the PRC in the amount of 5% of the total consideration of the 35MW Equipment Purchase Agreement to guarantee the electricity generation output by the 35MW Assembled Units as set out in the 35MW Equipment Purchase Agreement in favour of Suining Wind Power for such period as specified thereunder, Suining Wind Power shall pay to the Second Vendor 10% of the total contract sum of the corresponding batch of the 35MW Assembled Units;
- (4) within 28 days from one year after the commencement of electricity generation of each batch of the 35MW Assembled Units if each batch of the 35MW Assembled Units is capable of meeting the relevant unit power curve and the guaranteed electricity generation output level, Suining Wind Power shall pay to the Second Vendor 10% of the total contract sum of the relevant batch of the 35MW Assembled Units; and
- (5) within 28 days from the completion of the Final Acceptance Check of each batch of the 35MW Assembled Units, Suining Wind Power shall pay to the Second Vendor 10% of the total contract sum of the relevant batch of the 35MW Assembled Units.

The principal terms of the 95MW Equipment Purchase Agreement are set out as follows:–

Date

6 November 2019 (after trading hours of the Stock Exchange)

Parties

- (1) CNI Nanjing; and
- (2) the First Vendor.

Subject matter

Subject to the terms and conditions of the 95MW Equipment Purchase Agreement, CNI Nanjing has agreed to purchase and the First Vendor has agreed to sell the 95MW Equipment. The 95MW Equipment will be delivered in a number of batches in accordance with the delivery schedule set out in the 95MW Equipment Purchase Agreement. However, CNI Nanjing has the right to adjust the quantity and delivery time of the 95MW Equipment based on the actual circumstance of the Wind Power Project.

Consideration

The consideration for the 95MW Equipment is RMB439,605,000 (equivalent to approximately HK\$488,260,121), which shall be payable by CNI Nanjing to the First Vendor in the manner set out below:–

- (1) a refundable deposit representing 30% of the total consideration of the 95MW Equipment Purchase Agreement, will be paid after entering into of the 95MW Equipment Purchase Agreement and within 20 days from CNI Nanjing having received, among other things, a letter of guarantee issued by a designated bank in the PRC in the amount of 10% of the total consideration of the 95MW Equipment Purchase Agreement to guarantee the performance of the obligations of the First Vendor under the 95MW Equipment Purchase Agreement in favour of CNI Nanjing for such period as specified thereunder;
- (2) within 28 days after the delivery of each batch of the 95MW Equipment and subject to the First Vendor having produced to CNI Nanjing the relevant documents for each batch of the 95MW Equipment including, among other things, a certificate of quality, value added tax invoice and insurance invoice, CNI Nanjing shall pay to the First Vendor 40% of the total contract sum of the corresponding batch of the 95MW Equipment;

- (3) within 28 days from the completion of the Preliminary Acceptance Check of each batch of the 95MW Assembled Units and subject to the First Vendor, upon the delivery of the first batch of the 95MW Assembled Units, having produced to CNI Nanjing, among other things, a letter of guarantee issued by a designated bank in the PRC in the amount of 5% of the total consideration of the 95MW Equipment Purchase Agreement to guarantee the electricity generation output by the 95MW Assembled Units as set out in the 95MW Equipment Purchase Agreement in favour of CNI Nanjing for such period as specified thereunder, CNI Nanjing shall pay to the First Vendor 20% of the total contract sum of the corresponding batch of the 95MW Assembled Units; and
- (4) within 28 days from the completion of the Final Acceptance Check of each batch of the 95MW Assembled Units, CNI Nanjing shall pay to the First Vendor 10% of the total contract sum of the relevant batch of the 95MW Assembled Units.

Conditions precedent

The transactions contemplated under each of the Equipment Purchase Agreements are conditional upon and subject to the following conditions:

- (1) the passing of the requisite resolution(s) by the Shareholders at a general meeting approving each of the relevant Equipment Purchase Agreements and the transactions contemplated thereunder;
- (2) all necessary consents and approvals required to be obtained on the part of each of the relevant Vendors, in respect of the relevant Equipment Purchase Agreements and the transactions contemplated thereunder, having been obtained;
- (3) all necessary consents and approvals required to be obtained on the part of each of the relevant Purchasers, in respect of the relevant Equipment Purchase Agreements and the transactions contemplated thereunder, having been obtained;
- (4) all necessary consents and approvals required to be obtained from the governmental departments in the PRC, the relevant regulatory authorities and independent third parties in respect of the relevant Equipment Purchase Agreements and the transactions contemplated thereunder having been obtained;
- (5) (applicable for the 15MW Equipment Purchase Agreement only) the satisfaction of all conditions precedent set out in the finance lease agreement entered into between Suining Wind Power and CNEC Financial Leasing (Shenzhen) Co. Ltd. (核建融資租賃(深圳)有限公司) (save for the condition in relation to the satisfaction of all conditions precedent of the 15MW Equipment Purchase Agreement);

- (6) (applicable for the 35MW Equipment Purchase Agreement only) the satisfaction of all conditions precedent set out in the First CMB Finance Lease Agreement (save for the condition in relation to the satisfaction of all conditions precedent of the 35MW Equipment Purchase Agreement); and
- (7) (applicable for the 95MW Equipment Purchase Agreement only) the satisfaction of all conditions precedent set out in the Second CMB Finance Lease Agreement (save for the condition in relation to the satisfaction of all conditions precedent of the 95MW Equipment Purchase Agreement).

Each of the relevant Vendors shall use its best endeavors to procure the fulfillment of the conditions set out in (2) and (4) above under each of the relevant Equipment Purchase Agreements. Each of the relevant Purchasers shall use its best endeavors to procure the fulfillment of the conditions set out in (1), (3), (4), and (5) (applicable for the 15MW Equipment Purchase Agreement only), (6) (applicable for the 35MW Equipment Purchase Agreement only) and (7) (applicable for the 95MW Equipment Purchase Agreement only) above. None of the conditions set out above are capable of being waived.

If the conditions set out above have not been satisfied on or before the 31 December 2019, the Equipment Purchase Agreements shall cease and determine and thereafter neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof. The relevant Vendors shall refund the refundable deposit (representing 30% of the total consideration under relevant Equipment Purchase Agreements) paid under the relevant Equipment Purchase Agreements to the relevant Purchasers.

Warranty

Under each of the Equipment Purchase Agreements, there is a warranty period of five years for each batch of the 15MW Assembled Units, the 35MW Assembled Units and the 95MW Assembled Units commencing from the date of completion of the Preliminary Acceptance Check of the relevant batch of assembled units, during which the relevant Vendors warrant that the 15MW Assembled Units, the 35MW Assembled Units and the 95MW Assembled Units will be able to meet the technical standard and performance level as set out in the relevant Equipment Purchase Agreements, and failing which the relevant Vendors will be responsible to promptly repair and fix any defect at their own costs. Under the 35MW Equipment Purchase Agreement, there is a warranty period of eight years in total for the main bearing, a major component of the 35MW Equipment, during which the Second Vendor warrants that such main bearing will be able to meet the technical standard and performance level as set out in the 35MW Equipment Purchase Agreement, and failing which the Second Vendor will be responsible to promptly repair and fix any defect at its own costs.

Direct lease arrangement

For the purposes of tax saving and facilitation of arrangement based on the actual negotiation with the First Vendor, CNI Nanjing has taken up the capacity of the purchaser under the 15MW Equipment Purchase Agreement and 95MW Equipment Purchase Agreement. CNI Nanjing then entered into the Supplemental 15MW Equipment Purchase Agreement and Supplemental 95MW Equipment Purchase Agreement (which are of substantially the same terms and conditions as the 15MW Equipment Purchase Agreement and the 95MW Equipment Purchase Agreement respectively) with Suining Wind Power, pursuant to which CNI Nanjing has agreed to sell, and Suining Wind Power has agreed to purchase, the 15MW Equipment and 95MW Equipment respectively. For the purpose of financing the purchase of the 15MW Equipment and 95MW Equipment, Suining Wind Power has entered into financial leasing agreements with the financial leasing companies (i.e. CNEC Financial Leasing (Shenzhen) Co., Ltd. (核建融資租賃(深圳)有限公司), being the Company's wholly-owned subsidiary and a financial leasing company, for the 15MW Equipment and CMB Financial Leasing for the 95MW Equipment), pursuant to which Suining Wind Power has conditionally agree to assign its rights and obligations under the Supplemental 15MW Equipment Purchase Agreement and Supplemental 95MW Equipment Purchase Agreement to the financial leasing companies. With the above arrangements, the ownership of the 15MW Equipment and 95MW Equipment will be vested on the financial leasing companies in the first place and the type of financial leasing for the Equipment will be direct lease from the financial leasing companies, which will enable the Group to enjoy a concessionary rate of value added tax chargeable to the Group in the PRC.

REASONS FOR AND BENEFITS OF ENTERING INTO THE EQUIPMENT PURCHASE AGREEMENTS

The Group is principally engaged in new energy operations, included (a) the engineering, procurement and construction (“EPC”) and consultancy segment which comprises the Group’s EPC and consulting services operations relating to construction of photovoltaic power plant and other general construction and engineering services; (b) the power generation segment which comprises the Group’s power generation operations; (c) the financing segment which comprises the Group’s financing operations; (d) the manufacturing and trading business segment which comprises the Group’s manufacturing and trading of solar power related products; and (e) the other segments which comprise the Group’s corporate management, investment and treasury services. In addition, the Group has been participating in other businesses such as inspection, maintenance, repair, construction, installation and provision of expertise in such works for nuclear power plants via its associated companies.

Since 2018, the Group has started to explore opportunities to participate in constructing and investing in wind power electricity generation facilities and has submitted its application to the PRC authorities for wind power electricity generation design, engineering and general contracting qualifications with a view to develop the new wind power business.

In December 2018, the Group successfully obtained the approval from the Development and Reform Commission of Xuzhou City, Jiangsu Province to develop (i) a 15MW decentralised wind farm in Liangji Town in Jiangsu Province, the PRC; (ii) a 35MW wind farm in Liangji Town in Jiangsu Province, the PRC; and (iii) a 95MW wind farm in Weiji Town in Jiangsu Province, the PRC. In July 2019, the Company conducted an open tender to invite for vendors for the Equipment and the Equipment Purchase Agreements were entered into after completion of the Company's open tender process. The Equipment to be purchased under the Equipment Purchase Agreements will be used for the Wind Power Project.

As one of the key players in the new energy industry of the PRC, the Group has successfully established its position in the solar photovoltaic power industry in the PRC. The Directors consider that the development of the Wind Power Project will enable the Group to further extend its coverage and footprint in the PRC and tap into the wind power industry in the PRC which will become an additional source of profit for the Group in the field of new energy. Having considered the above, the Directors are of the view that the Wind Power Project would enable the Group to achieve sustainable development through diversification of business portfolio to broaden the Group's revenue base and enhance its earning capabilities.

The terms of the Equipment Purchase Agreements were determined based on the terms of the aforesaid open tender and after arm's length negotiations among the parties thereto. The purchase of the Equipment is part and parcel of the Group's plan of development of the Wind Power Project which will benefit the Group as detailed above. The Directors (including the independent non-executive Directors) therefore consider that the terms of each of the Equipment Purchase Agreements are on normal commercial terms, fair and reasonable and in the interest of the Group and the Shareholders as a whole.

The purchase of the 35MW Equipment and 95MW Equipment will be financed as to (i) 90% by way of financial leasing through the entering into of the First CMB Finance Lease Agreement and the Second CMB Finance Lease Agreement respectively as detailed below; and (ii) the remaining 10% by internal resources. The purchase of the 15MW Equipment will be financed by way of financial leasing arrangement with one of the subsidiary of the Company as lessor.

THE CMB FINANCE LEASE AGREEMENTS

For the purpose of financing 90% of the total consideration for the purchase of the 35MW Equipment and 95MW Equipment, on 6 November 2019 (after trading hours of the Stock Exchange), Suining Wind Power, as lessee, entered into the First CMB Finance Lease Agreement and the Second CMB Finance Lease Agreement with CMB Financial Leasing, as lessor.

THE FIRST CMB FINANCE LEASE AGREEMENT

Date

6 November 2019 (after trading hours of the Stock Exchange)

Parties

Lessor: CMB Financial Leasing

Lessee: Suining Wind Power

CMB Financial Leasing is a finance leasing company established in the PRC. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, CMB Financial Leasing and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Financing arrangement

Pursuant to the First CMB Finance Lease Agreement, CMB Financial Leasing has conditionally agreed to, among other things, (i) enter into a tripartite assignment agreement to take up the rights and obligations of Suining Wind Power as purchaser under the 35MW Equipment Purchase Agreement and take ownership of the 35MW Equipment upon the delivery of the 35MW Equipment to Suining Wind Power; (ii) pay a net amount of RMB133,912,440 (equivalent to approximately HK\$148,733,759), representing 90% of the total consideration under the 35MW Equipment Purchase Agreement, to the Second Vendor in stages in accordance with the terms of the 35MW Equipment Purchase Agreement; and (iii) lease back the 35MW Equipment to Suining Wind Power after taking up the ownership of the 35MW Equipment. The ownership of the 35MW Equipment under the First CMB Finance Lease Agreement will be first vested in CMB Financial Leasing. At the end of the lease period and subject to (i) fulfilment of all its payment obligations under the First CMB Finance Lease Agreement by Suining Wind Power; and (ii) payment by Suining Wind Power of a nominal consideration of RMB1 (equivalent to approximately HK\$1.1107), the ownership of the 35MW Equipment will be vested in Suining Wind Power.

Lease payments

Pursuant to the First CMB Finance Lease Agreement, the estimated aggregate lease payments payable by Suining Wind Power to CMB Financial Leasing shall be approximately RMB171,661,396 (equivalent to approximately HK\$190,660,738), being (i) the principal amount of RMB133,912,440 (equivalent to approximately HK\$148,733,759) which is equal to the total amount payable by CMB Financial Leasing to the Second Vendor as settlement of 90% of the consideration under the 35MW Equipment Purchase Agreement; and (ii) the estimated aggregate interest of approximately RMB37,748,956 (equivalent to approximately HK\$41,926,979). The interest is calculated at floating rate, representing 5% over the benchmark lending interest rate for RMB loans tenor of over five years as promulgated by the People's Bank of China, which may be adjusted according to the prevailing lending interest rate to be promulgated by People's Bank of China from time to time (the "**Interest Rate**").

The lease payments shall be payable by Suining Wind Power in 36 quarterly instalments.

Security deposit and handling fee

Under the First CMB Finance Lease Agreement, Suining Wind Power shall pay the following to CMB Financial Leasing two days before the end of the grace period:–

- (i) security deposit in the total sum of RMB6,026,059.8 (equivalent to approximately HK\$6,693,019) which bears no interest and at the end of the lease period, the balance of the security deposit will be used to set off the last instalment(s) of the lease payments payable by Suining Wind Power to CMB Financial Leasing upon Suining Wind Power having fulfilled all of its obligations under the First CMB Finance Lease Agreement; and
- (ii) handling fee in the total sum of RMB4,017,373.2 (equivalent to approximately HK\$4,462,013) which is non-refundable under the First CMB Finance Lease Agreement.

Security

The obligations of Suining Wind Power under the First CMB Finance Lease Agreement will be secured by (i) a pledge on the right to tariffs and account receivables of Suining Wind Power under a sale and purchase of electricity agreement entered into between Suining Wind Power and 國網江蘇省電力有限公司 (State Grid Jiangsu Electric Power Company Limited); (ii) a corporate guarantee provided by CNI Nanjing, an indirect wholly-owned subsidiary of the Company; and (iii) share charges over 51% and 49% of the total issued share capital of Suining Wind Power held by CNI Nanjing and CNI Development respectively in favour of CMB Financial Leasing.

Lease period

The finance lease is for a period of nine years with the first year as grace period in which only the interest part, but not the principal part, of the lease payments are payable by Suining Wind Power to CMB Financial Leasing.

Conditions precedent

The transactions contemplated under the First CMB Finance Lease Agreement are conditional upon and subject to the following conditions:

- (1) the passing of the requisite resolution(s) by the Shareholders at a general meeting approving the First CMB Finance Lease Agreement and the transactions contemplated thereunder;
- (2) all necessary consents and approvals required to be obtained on the part of the CMB Financial Leasing, in respect of the First CMB Finance Lease Agreement and the transactions contemplated thereunder, having been obtained;
- (3) all necessary consents and approvals required to be obtained on the part of Suining Wind Power, in respect of the First CMB Finance Lease Agreement and the transactions contemplated thereunder, having been obtained;
- (4) all necessary consents and approvals required to be obtained from the governmental departments in the PRC, the relevant regulatory authorities and independent third parties, in respect of the First CMB Finance Lease Agreement and the transactions contemplated thereunder, having been obtained; and
- (5) the satisfaction of all conditions precedent set out in the 35MW Equipment Purchase Agreement (save for the condition in relation to the satisfaction of all conditions precedent of the First CMB Finance Lease Agreement).

CMB Financial Leasing shall use its best endeavors to procure the fulfillment of the conditions set out in (2) and (4) above. Suining Wind Power shall use its best endeavors to procure the fulfillment of the conditions set out in (1), (3), (4) and (5) above. None of the conditions set out above are capable of being waived.

If the conditions set out above have not been satisfied on or before the 31 December 2019, the First CMB Finance Lease Agreement shall cease and determine and thereafter neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

THE SECOND CMB FINANCE LEASE AGREEMENT

Date

6 November 2019 (after trading hours of the Stock Exchange)

Parties

Lessor: CMB Financial Leasing

Lessee: Suining Wind Power

Financing arrangement

Pursuant to the Second CMB Finance Lease Agreement, CMB Financial Leasing has conditionally agreed to, among other things, (i) enter into a tripartite assignment agreement to take up the rights and obligations of Suining Wind Power as purchaser under the Supplemental 95MW Equipment Purchase Agreement and take ownership of the 95MW Equipment upon delivery of the 95MW Equipment to Suining Wind Power; (ii) pay a net amount of RMB395,644,500 (equivalent to approximately HK\$439,434,109), representing 90% of the total consideration under the Supplemental 95MW Equipment Purchase Agreement, to CNI Nanjing in stages in accordance with the terms of the Supplemental 95MW Equipment Purchase Agreement; and (iii) lease back the 95MW Equipment to Suining Wind Power after taking up the ownership of the 95MW Equipment. The ownership of the 95MW Equipment under the Second CMB Finance Lease Agreement will be first vested in CMB Financial Leasing. At the end of the lease period and subject to (i) fulfilment of all its payment obligations under the Second CMB Finance Lease Agreement by Suining Wind Power; and (ii) payment by Suining Wind Power of a nominal consideration of RMB1 (equivalent to approximately HK\$1.1107), the ownership of the 95MW Equipment will be vested in Suining Wind Power.

Lease payments

Pursuant to the Second CMB Finance Lease Agreement, the estimated aggregate lease payments payable by Suining Wind Power to CMB Financial Leasing shall be approximately RMB507,173,845 (equivalent to approximately HK\$563,307,431), being (i) the principal amount of RMB395,644,500 (equivalent to approximately HK\$439,434,109) which is equal to the total amount payable by CMB Financial Leasing to CNI Nanjing as settlement of 90% of the consideration under the Supplemental 95MW Equipment Purchase Agreement; and (ii) the estimated aggregate interest of approximately RMB111,529,345 (equivalent to approximately HK\$123,873,322), which is calculated at the Interest Rate.

The lease payments shall be payable by Suining Wind Power in 36 quarterly instalments.

Security deposit and handling fee

Under the Second CMB Finance Lease Agreement, Suining Wind Power shall pay the following to CMB Financial Leasing two days before the end of the grace period:–

- (i) security deposit in the total sum of RMB17,804,002.5 (equivalent to approximately HK\$19,774,535), which bears no interest and at the end of the lease period, the balance of the security deposit will be used to set off the last instalment(s) of the lease payments payable by Suining Wind Power to CMB Financial Leasing upon Suining Wind Power having fulfilled all of its obligations under the Second CMB Finance Lease Agreement; and
- (ii) handling fee in the total sum of RMB11,869,335 (equivalent to approximately HK\$13,183,023) which is non-refundable under the Second CMB Finance Lease Agreement.

Security

The obligations of Suining Wind Power under the Second CMB Finance Lease Agreement will be secured by (i) a pledge on the right to tariffs and account receivables of Suining Wind Power under a sale and purchase of electricity agreement entered into between Suining Wind Power and 國網江蘇省電力有限公司 (State Grid Jiangsu Electric Power Company Limited); (ii) a corporate guarantee provided by CNI Nanjing, an indirect wholly-owned subsidiary of the Company; and (iii) share charges over 51% and 49% of the total issued share capital of Suining Wind Power held by CNI Nanjing and CNI Development respectively in favour of CMB Financial Leasing.

Lease period

The finance lease for a period of nine years with the first year as grace period in which only the interest part, but not the principal part, of the lease payments are payable by Suining Wind Power to CMB Financial Leasing.

Conditions precedent

The transactions contemplated under the Second CMB Finance Lease Agreement are conditional upon and subject to the following conditions:

- (1) the passing of the requisite resolution(s) by the Shareholders at a general meeting approving the Second CMB Finance Lease Agreement and the transactions contemplated thereunder;
- (2) all necessary consents and approvals required to be obtained on the part of the CMB Financial Leasing, in respect of the Second CMB Finance Lease Agreement and the transactions contemplated thereunder, having been obtained;
- (3) all necessary consents and approvals required to be obtained on the part of Suining Wind Power, in respect of the Second CMB Finance Lease Agreement and the transactions contemplated thereunder, having been obtained;

- (4) all necessary consents and approvals required to be obtained from the governmental departments in the PRC, the relevant regulatory authorities and independent third parties, in respect of the Second CMB Finance Lease Agreement and the transactions contemplated thereunder, having been obtained; and
- (5) the satisfaction of all conditions precedent set out in the Supplemental 95MW Equipment Purchase Agreement (save for the condition in relation to the satisfaction of all conditions precedent of the Second CMB Finance Lease Agreement).

CMB Financial Leasing shall use its best endeavors to procure the fulfillment of the conditions set out in (2) and (4) above. Suining Wind Power shall use its best endeavors to procure the fulfillment of the conditions set out in (1), (3), (4) and (5) above. None of the conditions set out above are capable of being waived.

If the conditions set out above have not been satisfied on or before the 31 December 2019, the Second CMB Finance Lease Agreement shall cease and determine and thereafter neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CMB FINANCE LEASE AGREEMENTS

The entering into of the CMB Finance Lease Agreements provide financing for 90% of the total consideration for the purchase of the 35MW Equipment and the 95MW Equipment, while at the same time enable the Group to retain the right of use of the relevant equipment for the development of the Wind Power Project. The CMB Finance Lease Agreements and the transactions contemplated thereunder have been agreed under normal commercial terms and after arm's length negotiations between Suining Wind Power and CMB Financial Leasing. The Directors therefore consider that the terms of the CMB Finance Lease Agreements and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

THE MAIN CONSTRUCTION AGREEMENT

The Board is pleased to announce that on 6 November 2019 (after trading hours of the Stock Exchange), Suining Wind Power, as principal, has entered into the Main Construction Agreement with Xiexin Energy, as the main contractor, for the provision of construction and engineering works of the Wind Power Project.

The principal terms of the Main Construction Agreement are set out as follows:–

Date

6 November 2019 (after trading hours of the Stock Exchange)

Parties

- (1) Suining Wind Power; and
- (2) Xiexin Energy.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Xiexin Energy and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Subject matter

Pursuant to the Main Construction Agreement, Suining Wind Power as principal has conditionally agreed to engage Xiexin Energy as the main contractor, who has conditionally agreed to undertake, among other things, the construction of (i) a 15MW decentralised wind farm in Liangji Town in Jiangsu Province, the PRC; (ii) a 35MW wind farm in Liangji Town in Jiangsu Province, the PRC; and (iii) a 95MW wind farm in Weiji Town in Jiangsu Province, the PRC in accordance with the technical standards and specifications as set out in the Main Construction Agreement and be responsible for all related construction, civil engineering and installation works. Xiexin Energy shall also be responsible for the maintenance of (i) different parts of the construction works for different maintenance periods ranging from 2 years to 5 years; and (ii) the overall construction works of the Wind Power Project for the warranty period of one year commencing from the date of issue of the project completion acceptance certificate. Xiexin Energy shall be responsible for repairing and fixing any defects at its own costs within the aforesaid periods of maintenance and warranty.

It is expected that the wind farms will be connected to grid by 31 May 2020 and the construction will be completed by 31 August 2020. Upon completion of the construction, the wind farms of the Wind Power Project shall be owned and operated by Suining Wind Power.

Consideration

The total consideration under the Main Construction Agreement is RMB386,899,370 (equivalent to approximately HK\$429,721,075), which shall be payable by Suining Wind Power to Xiexin Energy in the manner set out below:–

- (1) monthly progress payments in such amount equivalent to 50% of the Assessed Value of Works completed under the Main Construction Agreement during the relevant month;
- (2) payment of up to 70% of the aggregated Assessed Value of Works completed under the Main Construction Agreement to be made within one month after the completion of all construction works under the Main Construction Agreement;
- (3) payment of up to 97% of the total consideration under the Main Construction Agreement to be made within one month after the project completion acceptance and settlement audit of the works performed by Xiexin Energy under the Main Construction Agreement; and
- (4) payment in such amount equivalent to 3% of the total consideration under the Main Construction Agreement within thirty (30) days after one year from the date of issue of the project completion acceptance certificate under the Main Construction Agreement, which shall be applied as quality assurance fund (the “**Quality Assurance Fund**”) and subject to the deduction by Suining Wind Power as described in the paragraph “Warranty Period” below.

The payment of consideration under the Main Construction Agreement will be funded solely by internal resources of the Company.

Warranty Period

There is a warranty period of one year to warrant the quality of the overall construction works under the Main Construction Agreement from the date of issue of the project completion acceptance certificate under the Main Construction Agreement. Xiexin Energy shall be responsible for repairing and fixing any defects at its own costs within the warranty period. If Xiexin Energy fails to repair and fix the defects within eight days after receiving the notice from Suining Wind Power or the defects cannot be fixed after two times of repairment works performed by Xiexin Energy, Suining Wind Power is entitled to engage other personnel to repair and fix the defects and the costs incurred shall be deducted from the Quality Assurance Fund payable by Suining Wind Power to Xiexin Energy. If the overall quality of the construction works under the Main Construction Agreement is satisfactory within the warranty period of one year, Suining Wind Power shall pay to Xiexin Energy the Quality Assurance Fund in full.

Conditions precedent

The transaction contemplated under the Main Construction Agreement is conditional upon and subject to the following conditions:

- (1) the passing of the requisite resolution(s) by the Shareholders at a general meeting approving the Main Construction Agreement and the transactions contemplated thereunder;
- (2) all necessary consents and approvals required to be obtained on the part of Xiexin Energy, in respect of the Main Construction Agreement and the transactions contemplated thereunder, having been obtained;
- (3) all necessary consents and approvals required to be obtained on the part of Suining Wind Power, in respect of the Main Construction Agreement and the transactions contemplated thereunder, having been obtained; and
- (4) all necessary consents and approvals required to be obtained from the governmental departments in the PRC, the relevant regulatory authorities and independent third parties in respect of the Main Construction Agreement and the transactions contemplated thereunder having been obtained.

Xiexin Energy shall use its best endeavors to procure the fulfillment of the conditions set out in (2) and (4) above. Suining Wind Power shall use its best endeavors to procure the fulfillment of the conditions set out in (1), (3) and (4) above. None of the conditions set out above are capable of being waived.

If the conditions set out above have not been satisfied on or before the 31 December 2019, the Main Construction Agreement shall cease and determine and thereafter neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

REASONS FOR AND BENEFITS OF ENTERING INTO THE MAIN CONSTRUCTION AGREEMENT

The Group conducted an open tender in September 2019 to invite for main contractor for the construction and engineering works of wind farms under the Wind Power Project and the Main Construction Agreement was entered into after completion of the open tender process.

The terms of the Main Construction Agreement were determined in accordance with the terms of the aforesaid open tender and after arm's length negotiations among the parties thereto. The construction and engineering works of wind farms is vital for the development of the Wind Power Project which will benefit the Group as detailed in the section above. The Directors (including the independent non-executive Directors) therefore consider that the terms of the Main Construction Agreement are on normal commercial terms, fair and reasonable and in the interest of the Group and the Shareholders as a whole.

RELATIONSHIP AMONG THE AGREEMENTS

The purpose of the First CMB Finance Lease Agreement is to provide funding for 90% of the total consideration of the 35MW Equipment Purchase Agreement and is therefore inter-conditional with the 35MW Equipment Purchase Agreement. The purpose of the Second CMB Finance Lease Agreement is to provide funding for 90% of the total consideration of the 95MW Equipment Purchase Agreement and is therefore inter-conditional with the 95MW Equipment Purchase Agreement. Save for the above, the 15MW Equipment Purchase Agreement, 35MW Equipment Purchase Agreement, 95MW Equipment Purchase Agreement, the First CMB Finance Lease Agreement, the Second CMB Finance Lease Agreement and the Main Construction Agreement (collectively the "**Agreements**") are not inter-conditional with each other. Notwithstanding the fact that the Agreements are not all inter-conditional with each other pursuant to the terms and conditions thereof, the Company is of the view that the Agreements are in fact inter-conditional with each other due to their relatedness and interdependency as explained below.

The Agreements are all related to the Wind Power Project. The Equipment Purchase Agreements are for the purpose of procuring the necessary equipment, products and materials for the construction of wind farms. The CMB Finance Lease Agreements are for the purpose of providing financing for the purchase of the 35MW Equipment and 95MW Equipment as described above. The Main Construction Agreement, on the other hand, is for the purpose of engaging a main contractor for the construction and engineering works of the Wind Power Project.

The Company will put forward one resolution in the circular and the notice of SGM for the Shareholders to consider and if thought fit, approve all Agreements at the SGM due to the reasons that (i) the Agreements are all related to the Wind Power Project; and (ii) the inter-dependency of the Agreements due to the practical execution of the Wind Power Project, that if any one of the Agreements is not approved by the Shareholders at the SGM, the Company may not proceed with the Wind Power Project as the Group will have to conduct open tender process again to invite tenders for the provision of the required products and services, which may last for several months and during which the costs of the required products and services may fluctuate and exceed the budget of the Company originally contemplated for the Wind Power Project. The Company will also have to negotiate with the financier again regarding the terms of the financing. The termination of the agreements approved by the Shareholders at the SGM may also incur liability to the Group pursuant to the terms and conditions of these agreements when all the conditions precedent of these agreements have already been fulfilled. In view of the above, notwithstanding the fact that the Agreements are not all inter-conditional with each other pursuant to the terms and conditions thereof, the Company is of the view that the Agreements are in fact inter-conditional with each other due to their relatedness and interdependency. The Company therefore considers it to be in the best interest of the Company and the Shareholders as a whole to approve the Agreements in one resolution at the SGM. If the resolution is not approved by the Shareholders at the SGM, the Company will terminate the Agreements and will not proceed with the Wind Power Project.

INFORMATION OF THE PARTIES

The First Vendor is a company established in the PRC with limited liability. It is principally engaged in the design, manufacture, sale of large scale wind power electricity generation unit and the construction and operation of wind farm and provision of related consultancy service. The holding company of the First Vendor is 中國中車股份有限公司 (officially known as CRRC Corporation Limited), a company established in the PRC and listed on Shanghai Stock Exchange (stock code: 601766) and the Stock Exchange (stock code: 1766).

The Second Vendor is a company established in the PRC with limited liability. It is principally engaged in the development, manufacture, sale and maintenance of wind power electricity generators and related accessories and the construction and operation of wind farm. The holding company of the Second Vendor is 湘潭電機股份有限公司 (officially known as Xiangtan Electric Manufacturing Co Ltd), a company established in the PRC and listed on Shanghai Stock Exchange (stock code: 600416).

Suining Wind Power is an indirect wholly-owned subsidiary of the Company and is principally engaged in wind power electricity generation, sale of electricity, wind power electricity generation engineering project design, construction, maintenance and provision of related management services.

CNI Nanjing is an indirect wholly-owned subsidiary of the Company and is principally engaged in the development of new energy projects.

CMB Financial Leasing is a company established in the PRC with limited liability. It is principally engaged in financial leasing business, transfer of financial leasing assets and fixed-income securities investment business. The holding company of CMB Financial Leasing is 招商銀行股份有限公司 (officially known as China Merchants Bank Co., Ltd.), a company established in the PRC and listed on Shanghai Stock Exchange (stock code: 600036) and the Stock Exchange (stock code: 3968).

Xiexin Energy is a company established in the PRC with limited liability. It is principally engaged in the design, construction, installation and engineering of solar power plants, solar photovoltaic system technology development, technical consulting, technical services and technology transfer; electrical engineering design and construction; sales of electrical power station equipment and accessories, the import and export business of technology and various commodities. The holding company of Xiexin Energy is 協鑫集成科技股份有限公司 (officially known as GCL System Integration Technology Co Ltd), a company established in the PRC and listed on Shenzhen Stock Exchange (stock code: 002506).

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in relation to the Equipment Purchase Agreements (when aggregated), the CMB Finance Lease Agreements (when aggregated) and the Main Construction Agreement (when aggregated with the Equipment Purchase Agreements and the CMB Finance Lease Agreements) exceed 100%, the Equipment Purchase Agreements, the CMB Finance Lease Agreements and the Main Construction Agreement (when aggregated with the Equipment Purchase Agreements and the CMB Finance Lease Agreements) and the transactions contemplated thereunder constitute very substantial acquisitions of the Company under Chapter 14 of the Listing Rules and are subject to reporting, announcement and shareholders' approval requirements thereunder.

The SGM will be convened to consider, and if thought fit, to pass the resolution(s) to approve the Equipment Purchase Agreements, the CMB Finance Lease Agreements, the Main Construction Agreement and the transactions contemplated thereunder. A circular containing, among other things, (i) further details of the Equipment Purchase Agreements, the CMB Finance Lease Agreements, and the Main Construction Agreement and the transactions contemplated thereunder; (ii) a notice of SGM; and (iii) other information required under the Listing Rules, is expected to be despatched by the Company to the Shareholders on or before 27 November 2019.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms used herein shall have the following meanings:

“Assessed Value of Works” the value of the amount of works, which are completed by Xiexin Energy pursuant to the Main Construction Agreement and checked and accepted by Suining Wind Power, calculated based on the construction works price list(s) agreed upon between Suining Wind Power and Xiexin Energy

“Board” the board of Directors

“Company”	China Nuclear Energy Technology Corporation Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“CMB Finance Lease Agreements”	the First CMB Finance Lease Agreement and the Second CMB Finance Lease Agreement collectively
“CMB Financial Leasing”	招銀金融租賃有限公司 (CMB Financial Leasing Co., Ltd.), a company established in the PRC with limited liability
“CNI Development”	中核能源發展有限公司 (CNI Energy Development Company Limited), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“CNI Nanjing”	中核(南京)能源發展有限公司 (CNI (Nanjing) Energy Development Company Limited), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Equipment”	the 15MW Equipment, the 35MW Equipment and the 95MW Equipment collectively
“Equipment Purchase Agreements”	the 15MW Equipment Purchase Agreement, the 35MW Equipment Purchase Agreement and the 95MW Equipment Purchase Agreement collectively

“Final Acceptance Check”	the signing of the certificates of completion of final acceptance check of each batch of the 15MW Assembled Units, the 35MW Assembled Units and the 95MW Assembled Units (as the case may be) by the relevant Purchasers after the end of the warranty period of five years of each batch of the relevant assembled units and the relevant assembled units are capable of meeting the technical standard and performance level as set out in the relevant Equipment Purchase Agreements
“First CMB Finance Lease Agreement”	the finance lease agreement entered into between Suining Wind Power and CMB Financial Leasing dated 6 November 2019 for the purpose of financing the purchase of the 35MW Equipment
“First Vendor”	中車株洲電力機車研究所有限公司 (CRRC Zhuzhou Electric Locomotive Research Institute Company Limited), a company established in the PRC with limited liability
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“kWh”	kilowatts per hour
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Construction Agreement”	the agreement entered into between Suining Wind Power and Xiexin Energy in relation to the construction and engineering works of the Wind Power Project
“MW”	megawatts, which is equal to 1,000,000 watts

“PRC”	the People’s Republic of China and for the sole purpose of this announcement, shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Preliminary Acceptance Check”	the signing of the certificates of completion of preliminary acceptance check of each batch of the 15MW Assembled Units, the 35MW Assembled Units and the 95MW Assembled Units (as the case may be) by the relevant Purchasers after, among other things, completion of the installation and trial run of the relevant batch of the assembled units and the relevant batch of assembled units are capable of meeting the technical standard and performance level as set out in the relevant Equipment Purchase Agreements
“Purchasers”	CNI Nanjing and Suining Wind Power collectively
“RMB”	Renminbi, the lawful currency of the PRC
“Second CMB Finance Lease Agreement”	the finance lease agreement entered into between Suining Wind Power and CMB Financial Leasing dated 6 November 2019 for the purpose of financing the purchase of the 95MW Equipment
“Second Vendor”	湘電風能有限公司 (Xiangdian Wind Energy Company Limited), a company established in the PRC with limited liability
“SGM”	a special general meeting of the Company to be convened and held for the purposes of, among other matters, considering and, if thought fit, approving the Equipment Purchase Agreements, the CMB Finance Lease Agreements, the Main Construction Agreement and the transactions contemplated thereunder
“Shareholder(s)”	holder(s) of the Share(s)

“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Suining Wind Power”	睢寧核源風力發電有限公司 (Suining Nuclear Source Wind Power Electricity Generation Company Limited), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Supplemental 15MW Equipment Purchase Agreement”	the agreement entered into between CNI Nanjing as vendor and Suining Wind Power as purchaser in relation to the sale and purchase of the 15MW Equipment
“Supplemental 95MW Equipment Purchase Agreement”	the agreement entered into between CNI Nanjing as vendor and Suining Wind Power as purchaser in relation to the sale and purchase of the 95MW Equipment
“Xiexin Energy”	協鑫能源工程有限公司 (Xiexin Energy Engineering Company Limited), a company established in the PRC with limited liability
“Vendors”	the First Vendor and Second Vendor collectively
“Wind Power Project”	the construction and development of (i) a 15MW decentralised wind farm in Liangji Town in Jiangsu Province, the PRC; (ii) a 35MW wind farm in Liangji Town in Jiangsu Province, the PRC; and (iii) a 95MW wind farm in Weiji Town in Jiangsu Province, the PRC
“15MW Assembled Units”	the individual functional wind power electricity generation units after assembling the parts of the 15MW Equipment through an integrated circuit

“15MW Equipment”	the subject matter of the 15MW Equipment Purchase Agreement, being five sets of (i) wind power generation equipment and its ancillary equipment, (ii) wind power tower equipment, and (iii) anchor-shaped plate supporting material, and other accessory products and materials which will be used for the construction and development of a 15MW decentralised wind farm in Liangji Town in Jiangsu Province, the PRC
“15MW Equipment Purchase Agreement”	the agreement entered into between CNI Nanjing and the First Vendor in relation to the sale and purchase of the 15MW Equipment
“35MW Assembled Units”	the individual functional wind power electricity generation units after assembling parts of the 35MW Equipment through an integrated circuit
“35MW Equipment”	the subject matter of the 35MW Equipment Purchase Agreement, being twelve sets of (i) wind power generation equipment and its ancillary equipment and (ii) steel mixing towers, and other accessory products and materials which will be used for the construction and development of a 35MW wind farm in Liangji Town in Jiangsu Province, the PRC
“35MW Equipment Purchase Agreement”	the agreement entered into between Suining Wind Power and the Second Vendor in relation to the sale and purchase of the 35MW Equipment
“95MW Assembled Units”	the individual functional wind power electricity generation units after assembling parts of the 95MW Equipment through an integrated circuit

“95MW Equipment”	the subject matter of the 95MW Equipment Purchase Agreement, being 36 sets of (i) wind power generation equipment and its ancillary equipment, (ii) wind power tower equipment, and (iii) anchor-shaped plate supporting material, and other accessory products and materials which will be used for the construction and development of a 95MW wind farm in Weiji Town in Jiangsu Province, the PRC
“95MW Equipment Purchase Agreement”	the agreement entered into between CNI Nanjing and the First Vendor in relation to the sale and purchase of the 95MW Equipment
“%”	per cent.

By order of the Board
China Nuclear Energy Technology Corporation Limited
Zhao Yixin
Chairman

Hong Kong, 6 November 2019

In this announcement, the English names of certain PRC entities are translation or transliteration of their Chinese names, and are included herein for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail.

For the purposes of illustration only, any amount denominated in RMB in this announcement and translated into HK\$ at a rate of HK\$1 = RMB0.90035. Such translation should not be construed as a representation that the amounts in question have been, could have been or could be, converted at any particular rate at all.

As at the date of this announcement, the executive Directors are Mr. Zhao Yixin (Chairman), Mr. Liu Genyu (Vice Chairman), Mr. Chung Chi Shing, Mr. Fu Zhigang (Chief Executive Officer), Ms. Jian Qing, Mr. Li Jinying, Mr. Tang Jianhua (Chief Operating Officer), Mr. Wu Yuanchen; and the independent non-executive Directors are Mr. Chan Ka Ling Edmond, Mr. Kang Xinquan, Mr. Tian Aiping and Mr. Wang Jimin.